

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF GARRY H. GIBSON  
from the decision of the Board of Equalization of  
Kootenai County for tax year 2006.

) APPEAL NO. 06-A-2533  
) FINAL DECISION  
) AND ORDER

**RESIDENTIAL PROPERTY APPEAL**

THIS MATTER came on for hearing December 15, 2006, in Coeur d'Alene, Idaho, before Board Member Vernon L. Driver. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellant Gary Gibson appeared for himself. Assessor Mike McDowell and Appraiser Steve Hagler appeared for Respondent Kootenai County. This appeal is taken from a decision of the Kootenai County Board of Equalization (BOE) denying the protest of the valuation for taxing purposes of property described as Parcel No. 015600000080.

**The issue on appeal is the market value of residential waterfront property.**

**The decision of the Kootenai County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$592,605, and the improvements' valuation is \$162,761, totaling \$755,366. Appellant requests the land value be reduced to \$312,000, and the improvements' value be reduced to \$137,500, totaling \$449,500.

The subject property is waterfront property with a single family residence. It is located in Crescent Bay on the west side of Coeur d'Alene Lake.

Appellant testified there are about 16 lots in Crescent Bay. Subject Lot 8 has approximately 102 feet of waterfront. The Lot's assessed value increased from \$187,000 in 2004 to \$592,605 in 2006.

Appellant's Exhibit included an e-mail from the owner of Lot 10 stating this bare lot was purchased in April of 2005 for \$312,000. The lot is located about 100 feet from subject. Mr. Gibson believed this lot to be the closest comparable sale to subject.

Photographs taken in the fall of 2006 were submitted by Appellant of the vacant Lot 10, improved Lot 9, and improved subject property.

Subject residence was described as built in 1973 with 1,550 square feet. There had been no change since it was constructed. The structure was described as a summer home with no well, no water or furnace, only electric baseboard heat.

Appellant maintained the nearby Lot 10 sale was the most comparable to subject land. No specific sales or information was submitted by the County which compared slope, beach or access to subject. Mr. Gibson understood the assessment ratio requirements of 90% to 110% of sale price, however, maintained the sale price of the vacant Lot 10 compared to subject assessed land value is outside of the required range.

Respondent questioned whether the Lot 10 sale included water, sewer, power or any other amenities. Appellant maintained there was no residence or improvement of that kind. Power is accessible. Appellant maintained no one in Crescent Bay had a well.

Respondent clarified subject had electric service, draws water out of the Lake and has an improved septic system.

Respondent described the subject property and its location. The last revaluation in this area was for the 2003 assessment roll. Onsite inspections were conducted to note any changes to the property since the last onsite inspection. Topography and other land amenities were noted at that time.

The County explained 100 feet of subject waterfront was assessed at \$6,930 per foot with a negative 15% inferior characteristic rating adjustment compared to typical lots. The remaining 2.3 feet were assessed for \$2,079 pre front foot with negative 10% and 15% adjustments for a total lot assessed land value of \$592,605.

Nine sales which took place between 1998 through 2002 were analyzed to arrive at the base value of subject lot. Positive market adjustment trends were derived from 2004 and 2005 sales and applied to the subject land and improvements as well as the other properties in subject's area. Respondent explained the trends were applied to old assessed values to meet the market value requirements of Idaho Code. Final ratios of assessed value to sale price were discussed and copies of several Idaho Code sections and Administrative Rules addressing market value requirements were submitted by Respondent.

Respondent noted the subject property is an improved property, not vacant land. Improved property sales were compared to improved property assessments. Positive trends were then applied to subject to arrive at the current assessed value. Respondent maintained subject is assessed fairly and the assessed value should be upheld.

#### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

The primary issue in this case is the value of subject improved lot. Appellant maintained the value should be based on a neighboring vacant lot sale plus the sum of the cost to improve the lot.

The County explained the value of subject land was based on an analysis of improved property sales, because subject lot is improved. The neighboring vacant lot sale would have been compared to a vacant lot until such time as it was improved.

Respondent demonstrated the sale of improved properties indicates a value for improved lots that exceeds the sum of the vacant land and amenities. The County explained the most likely

reason is the demand and scarcity of vacant waterfront lots.

The court has consistently held that the only criterion for determining value of property for ad valorem tax purposes is the full cash or market value. Merris v. Ada County, 100 Idaho 59 at 63, 593 P.2d 394 (1979).

It is not what an expert thinks is the proper method of valuation or what is the best method, but is the method used by the assessor legitimate, fair and reasonable. Abbott v. State Tax Commission, 88 Idaho 200 at 206, 398 P.2d 221 (1965).

The Assessor does not cause or create the increase or decrease in property values. It is, however, the Assessor's duty to value all property at current market value. To an extent, that entails analyzing and comparing sale prices to assessed values.

In this case, we find the assessed value of subject reasonable and based on legitimate sales information and appraisal analysis. We therefore, affirm the decision of the Kootenai County Board of Equalization.

#### FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Kootenai County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

DATED this 27th day of April 2007.